

425.7

ARTICLE 15

425.8

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

425.9

Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

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Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

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(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher Health and Education Facilities Authority~~, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

- 426.12 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
426.13 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
426.14 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
426.15 Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis
426.16 Department;
- 426.17 (3) constitutional officer in the executive branch and the officer's chief administrative
426.18 deputy;
- 426.19 (4) solicitor general or deputy, assistant, or special assistant attorney general;
- 426.20 (5) commissioner, deputy commissioner, or assistant commissioner of any state
426.21 department or agency as listed in section 15.01 or 15.06, or the state chief information
426.22 officer;
- 426.23 (6) member, chief administrative officer, or deputy chief administrative officer of a state
426.24 board or commission that has either the power to adopt, amend, or repeal rules under chapter
426.25 14, or the power to adjudicate contested cases or appeals under chapter 14;
- 426.26 (7) individual employed in the executive branch who is authorized to adopt, amend, or
426.27 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 426.28 (8) executive director of the State Board of Investment;
- 426.29 (9) deputy of any official listed in clauses (7) and (8);
- 426.30 (10) judge of the Workers' Compensation Court of Appeals;
- 427.1 (11) administrative law judge or compensation judge in the State Office of Administrative
427.2 Hearings or unemployment law judge in the Department of Employment and Economic
427.3 Development;
- 427.4 (12) member, regional administrator, division director, general counsel, or operations
427.5 manager of the Metropolitan Council;
- 427.6 (13) member or chief administrator of a metropolitan agency;
- 427.7 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
427.8 of Public Safety;
- 427.9 (15) member or executive director of the ~~Higher~~ Health and Education Facilities
427.10 Authority;
- 427.11 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 427.12 (17) member of the board of directors or executive director of the Minnesota State High
427.13 School League;
- 427.14 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 427.15 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

- 427.16 (20) manager of a watershed district, or member of a watershed management organization
 427.17 as defined under section 103B.205, subdivision 13;
- 427.18 (21) supervisor of a soil and water conservation district;
- 427.19 (22) director of Explore Minnesota Tourism;
- 427.20 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
 427.21 97A.056;
- 427.22 (24) citizen member of the Clean Water Council established in section 114D.30;
- 427.23 (25) member or chief executive of the Minnesota Sports Facilities Authority established
 427.24 in section 473J.07;
- 427.25 (26) district court judge, appeals court judge, or supreme court justice;
- 427.26 (27) county commissioner;
- 427.27 (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- 427.28 (29) member of the Destination Medical Center Corporation established in section
 427.29 469.41; or
- 428.1 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
 428.2 and Universities.
- 428.3 Sec. 3. Minnesota Statutes 2020, section 136A.25, is amended to read:
- 428.4 **136A.25 CREATION.**
- 428.5 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority
 428.6 is hereby created.
- 428.7 Sec. 4. Minnesota Statutes 2020, section 136A.26, is amended to read:
- 428.8 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**
- 428.9 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities
 428.10 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice
 428.11 and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.
- 428.12 All members to be appointed by the governor shall be residents of the state. At least two
 428.13 members must reside outside the metropolitan area as defined in section 473.121, subdivision
 428.14 2. At least one of the members shall be a person having a favorable reputation for skill,
 428.15 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall
 428.16 be a person having a favorable reputation for skill, knowledge, and experience in the building
 428.17 construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or
 428.18 employee of an institution of higher education; and at least one of the members shall be a
 428.19 trustee, director, officer, or employee of a health care organization.

428.20 Subd. 1a. **Private College Council member.** The president of the Minnesota Private
 428.21 College Council, or the president's designee, shall serve without compensation as an advisory,
 428.22 nonvoting member of the authority.

428.23 Subd. 1b. **Nonprofit health care association member.** The chief executive officer of
 428.24 a Minnesota nonprofit membership association whose members are primarily nonprofit
 428.25 health care organizations, or the chief executive officer's designee, shall serve without
 428.26 compensation as an advisory, nonvoting member of the authority. The identity of the
 428.27 Minnesota nonprofit membership association shall be determined and may be changed from
 428.28 time to time by the members of the authority in accordance with and as shall be provided
 428.29 in the bylaws of the authority.

428.30 Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal
 428.31 of members, and filling of vacancies for authority members other than the representative
 428.32 of the office, ~~and~~ the president of the Private College Council, or the chief executive officer
 429.1 of the Minnesota nonprofit membership association described in subdivision 1b shall be as
 429.2 provided in section 15.0575.

429.3 Sec. 5. Minnesota Statutes 2020, section 136A.27, is amended to read:

429.4 **136A.27 POLICY.**

429.5 It is hereby declared that for the benefit of the people of the state, the increase of their
 429.6 commerce, welfare and prosperity and the improvement of their health and living conditions
 429.7 it is essential that health care organizations within the state be provided with appropriate
 429.8 additional means to establish, acquire, construct, improve, and expand health care facilities
 429.9 in furtherance of their purposes; that this and future generations of youth be given the fullest
 429.10 opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~
 429.11 that institutions of higher education within the state be provided with appropriate additional
 429.12 means to assist such youth in achieving the required levels of learning and development of
 429.13 their intellectual and mental capacities; and that health care organizations and institutions
 429.14 of higher education be enabled to refinance outstanding indebtedness incurred to provide
 429.15 existing facilities used for such purposes in order to preserve and enhance the utilization of
 429.16 facilities for purposes of health care and higher education, to extend or adjust maturities in
 429.17 relation to the resources available for their payment, and to save interest costs and thereby
 429.18 reduce health care costs or higher education tuition, fees, and charges; ~~and. It is hereby~~
 429.19 further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure
 429.20 of assistance and an alternative method to enable health care organizations and institutions
 429.21 of higher education in the state to provide the facilities and structures which are sorely
 429.22 needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit
 429.23 and good, to the extent and manner provided herein.

429.24 Sec. 6. Minnesota Statutes 2020, section 136A.28, is amended to read:

429.25 **136A.28 DEFINITIONS.**

429.26 Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms
429.27 shall, unless the context otherwise requires, have the meanings ascribed to them.

429.28 Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is
429.29 controlled by, or is under common control with, another entity. For the purposes of this
429.30 subdivision, "control" means either the power to elect a majority of the members of the
429.31 governing body of an entity or the power, whether by contract or otherwise, to direct the
429.32 management and policies of the entity. Affiliate also means an entity whose business or
429.33 substantially all of whose property is operated under a lease, management agreement, or
430.1 operating agreement by another entity, or an entity who operates the business or substantially
430.2 all of the property of another entity under a lease, management agreement, or operating
430.3 agreement.

430.4 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities
430.5 Authority created by sections 136A.25 to 136A.42.

430.6 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~
430.7 ~~or other student housing facility, a dining hall, student union, administration building,~~
430.8 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~
430.9 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~
430.10 ~~structures or facilities related thereto or required or useful for the instruction of students or~~
430.11 ~~the conducting of research or the operation of an institution of higher education, whether~~
430.12 ~~proposed, under construction, or completed, including parking and other facilities or~~
430.13 ~~structures essential or convenient for the orderly conduct of such institution for higher~~
430.14 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~
430.15 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~
430.16 ~~facility or structure in the manner for which its use is intended but shall not include such~~
430.17 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~
430.18 ~~result in a current operating charge, and shall~~ a health care facility or an education facility
430.19 whether proposed, under construction, or completed, and includes land or interests in land,
430.20 appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,
430.21 furniture, machinery, equipment, and parking. Project also includes other structures, facilities,
430.22 improvements, machinery, equipment, and means of transport of a capital nature that are
430.23 necessary or convenient for the operation of the facility. Project does not include: (1) any
430.24 facility used or to be used for sectarian instruction or as a place of religious worship nor;
430.25 (2) any facility which is used or to be used primarily in connection with any part of the
430.26 program of a school or department of divinity for any religious denomination; nor (3) any
430.27 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
430.28 customarily deemed to result in a current operating charge.

430.29 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the
430.30 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,

- 430.31 acquisition, alteration, enlargement, reconstruction and remodeling of a project including
 430.32 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
 430.33 and interests acquired or used for or in connection with a project, the cost of demolishing
 430.34 or removing any buildings or structures on land so acquired, including the cost of acquiring
 430.35 any lands to which ~~such~~ buildings or structures may be moved, the cost of all machinery
 431.1 and equipment, financing charges, interest prior to, during and for a period after completion
 431.2 of such construction and acquisition, provisions for reserves for principal and interest and
 431.3 for extensions, enlargements, additions and improvements, the cost of architectural,
 431.4 engineering, financial and legal services, plans, specifications, studies, surveys, estimates
 431.5 of cost and of revenues, administrative expenses, expenses necessary or incident to
 431.6 determining the feasibility or practicability of constructing the project and such other
 431.7 expenses as may be necessary or incident to the construction and acquisition of the project,
 431.8 the financing of such construction and acquisition and the placing of the project in operation.
- 431.9 Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority
 431.10 issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding
 431.11 bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit
 431.12 of a participating institution ~~for higher education~~ or any other lawfully pledged security of
 431.13 a participating institution ~~for higher education~~.
- 431.14 Subd. 6. **Institution of higher education.** "Institution of higher education" means a
 431.15 nonprofit educational institution within the state authorized to provide a program of education
 431.16 beyond the high school level.
- 431.17 Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit
 431.18 organization located within the state and authorized by law to operate a nonprofit health
 431.19 care facility in the state. Health care organization also means a nonprofit affiliate of a health
 431.20 care organization as defined under this paragraph, provided the affiliate is located within
 431.21 the state or within a state that is geographically contiguous to Minnesota.
- 431.22 (b) Health care organization also means a nonprofit organization located within another
 431.23 state that is geographically contiguous to Minnesota and authorized by law to operate a
 431.24 nonprofit health care facility in that state, provided that the nonprofit organization located
 431.25 within the contiguous state is an affiliate of a health care organization located within the
 431.26 state.
- 431.27 Subd. 6b. **Education facility.** "Education facility" means a structure or structures
 431.28 available for use as a dormitory or other student housing facility, dining hall, student union,
 431.29 administration building, academic building, library, laboratory, research facility, classroom,
 431.30 athletic facility, student health care facility, or child care facility, and includes other facilities
 431.31 or structures related thereto essential or convenient for the orderly conduct of an institution
 431.32 of higher education.
- 431.33 Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures
 431.34 available for use within this state as a hospital, clinic, psychiatric residential treatment
 432.1 facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation

432.2 facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis
 432.3 facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility,
 432.4 medical office building, residence for nurses or interns, nursing home, boarding care home,
 432.5 assisted living facility, residential hospice, intermediate care facility for persons with
 432.6 developmental disabilities, supervised living facility, housing with services establishment,
 432.7 board and lodging establishment with special services, adult day care center, day services
 432.8 facility, prescribed pediatric extended care facility, community residential setting, adult
 432.9 foster home, or other facility related to medical or health care research, or the delivery or
 432.10 administration of health care services, and includes other structures or facilities related
 432.11 thereto essential or convenient for the orderly conduct of a health care organization.

432.12 (b) Health care facility also means a facility in a state that is geographically contiguous
 432.13 to Minnesota operated by a health care organization that corresponds by purpose, function,
 432.14 or use with a facility listed in paragraph (a).

432.15 Subd. 7. **Participating institution of higher education.** "Participating institution of
 432.16 ~~higher education~~" means a health care organization or an institution of higher education
 432.17 that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and
 432.18 construction or acquisition of a project or undertakes the refunding or refinancing of
 432.19 obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.
 432.20 Community colleges and technical colleges may be considered participating institutions of
 432.21 ~~higher education~~ for the purpose of financing and constructing child care facilities and
 432.22 parking facilities.

432.23 Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

432.24 Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care
 432.25 organizations and institutions of higher education in the construction, financing, and
 432.26 refinancing of projects. The exercise by the authority of the powers conferred by sections
 432.27 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public
 432.28 function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the
 432.29 powers and duties set forth in subdivisions 2 to 23.

432.30 Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

432.31 Subd. 3. **Employees.** The authority is authorized and empowered to appoint and employ
 432.32 employees as it may deem necessary to carry out its duties, determine the title of the
 432.33 employees so employed, and fix the salary of ~~said~~ its employees. Employees of the authority
 433.1 shall participate in retirement and other benefits in the same manner that employees in the
 433.2 ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision 3,
 433.3 participate.

433.4 Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

433.5 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine
 433.6 the location and character of any project to be financed under the provisions of sections
 433.7 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,

433.8 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into
 433.9 contracts for any or all of such purposes, to enter into contracts for the management and
 433.10 operation of a project, and to designate a participating institution of higher education as its
 433.11 agent to determine the location and character of a project undertaken by such participating
 433.12 institution of higher education under the provisions of sections 136A.25 to 136A.42 and as
 433.13 the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge,
 433.14 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the
 433.15 agent of the authority, to enter into contracts for any or all of such purposes, including
 433.16 contracts for the management and operation of such project.

433.17 (b) Notwithstanding paragraph (a), a project involving a health care facility within the
 433.18 state financed under sections 136A.25 to 136A.42, must comply with all applicable
 433.19 requirements in state law related to authorizing construction of or modifications to a health
 433.20 care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and
 433.21 252.291.

433.22 (c) Contracts of the authority or of a participating institution of higher education to
 433.23 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair
 433.24 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other
 433.25 public contract or competitive bid law.

433.26 Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

433.27 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue
 433.28 revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~
 433.29 \$4,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds
 433.30 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
 433.31 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
 433.32 furnishing, or equipping one or more projects or parts thereof.

434.1 (b) Of the \$4,000,000,000 limit in paragraph (a), the aggregate principal amount used
 434.2 to fund education facilities may not exceed \$1,750,000,000 at any time, and the aggregate
 434.3 principal amount used to fund health care facilities may not exceed \$2,250,000,000 at any
 434.4 time.

434.5 Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

434.6 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized
 434.7 and empowered to issue revenue bonds to acquire projects from or to make loans to
 434.8 participating institutions of higher education and thereby refinance outstanding indebtedness
 434.9 incurred by participating institutions of higher education to provide funds for the acquisition,
 434.10 construction or improvement of a facility before or after the enactment of sections 136A.25
 434.11 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the
 434.12 authority finds that such refinancing will enhance or preserve such participating institutions
 434.13 and such facilities or utilization thereof for health care or educational purposes or extend
 434.14 or adjust maturities to correspond to the resources available for their payment, or reduce

434.15 ~~charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed~~
 434.16 ~~on students for the use or occupancy of the facilities of such participating institutions of~~
 434.17 ~~higher education or costs met by federal or state public funds, or enhance or preserve health~~
 434.18 ~~care or educational programs and research or the acquisition or improvement of other~~
 434.19 ~~facilities eligible to be a project or part thereof by the participating institution of higher~~
 434.20 ~~education. The amount of revenue bonds to be issued to refinance outstanding indebtedness~~
 434.21 ~~of a participating institution of higher education shall not exceed the lesser of (a) the fair~~
 434.22 ~~value of the project to be acquired by the authority from the institution or mortgaged to the~~
 434.23 ~~authority by the institution or (b) the amount of the outstanding indebtedness including any~~
 434.24 ~~premium thereon and any interest accrued or to accrue to the date of redemption and any~~
 434.25 ~~legal, fiscal and related costs in connection with such refinancing and reasonable reserves,~~
 434.26 ~~as determined by the authority. The provisions of this subdivision do not prohibit the authority~~
 434.27 ~~from issuing revenue bonds within and charged against the limitations provided in subdivision~~
 434.28 ~~9 to provide funds for improvements, alteration, renovation, or extension of the project~~
 434.29 ~~refinanced.~~

434.30 Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

434.31 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to
 434.32 establish rules for the use of a project or any portion thereof and to designate a participating
 434.33 institution of higher education as its agent to establish rules for the use of a project undertaken
 434.34 for such participating institution of higher education.

435.1 Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

435.2 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of
 435.3 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution
 435.4 of the authority to handle funds or sign checks of the authority shall be covered under a
 435.5 surety or fidelity bond in an amount to be determined by the authority. Each such bond shall
 435.6 be conditioned upon the faithful performance of the duties of the office of the member or
 435.7 officer, and shall be executed by a surety company authorized to transact business in the
 435.8 state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

435.9 Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

435.10 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and
 435.11 empowered to sell, lease, release, or otherwise dispose of real and personal property or
 435.12 interests therein, or a combination thereof, acquired by the authority under authority of
 435.13 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such this~~ chapter or
 435.14 of the authority, and grant such easements and other rights in, over, under, or across a project
 435.15 as will not interfere with its use of ~~such the~~ property. ~~Such~~ The sale, lease, release,
 435.16 disposition, or grant may be made without competitive bidding and in ~~such the~~ manner and
 435.17 for such consideration as the authority in its judgment deems appropriate.

435.18 Sec. 15. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

435.19 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any
 435.20 participating institution ~~of higher education~~ for the cost of a project in accordance with an
 435.21 agreement between the authority and the participating institution ~~of higher education~~;
 435.22 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the
 435.23 participating institution ~~of higher education~~ and approved by the authority.

435.24 Sec. 16. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

435.25 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and
 435.26 empowered to charge to and apportion among participating institutions ~~of higher education~~
 435.27 its administrative costs and expenses incurred in the exercise of the powers and duties
 435.28 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment
 435.29 deems appropriate.

436.1 Sec. 17. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision
 436.2 to read:

436.3 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered
 436.4 to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a.
 436.5 A determination by the authority of affiliate status shall be deemed conclusive for the
 436.6 purposes of sections 136A.25 to 136A.42.

436.7 Sec. 18. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

436.8 Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions
 436.9 authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which
 436.10 shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

436.11 (1) pledging all or any part of the revenues of a project or projects, any revenue producing
 436.12 contract or contracts made by the authority with ~~any individual partnership, corporation or~~
 436.13 ~~association or other body~~ one or more partnerships, corporations or associations, or other
 436.14 bodies, public or private, to secure the payment of the revenue bonds or of any particular
 436.15 issue of revenue bonds, subject to such agreements with bondholders as may then exist;

436.16 (2) the rentals, fees and other charges to be charged, and the amounts to be raised in
 436.17 each year thereby, and the use and disposition of the revenues;

436.18 (3) the setting aside of reserves or sinking funds, and the regulation and disposition
 436.19 thereof;

436.20 (4) limitations on the right of the authority or its agent to restrict and regulate the use of
 436.21 the project;

436.22 (5) limitations on the purpose to which the proceeds of sale of any issue of revenue
 436.23 bonds then or thereafter to be issued may be applied and pledging such proceeds to secure
 436.24 the payment of the revenue bonds or any issue of the revenue bonds;

436.25 (6) limitations on the issuance of additional bonds, the terms upon which additional
436.26 bonds may be issued and secured and the refunding of outstanding bonds;

436.27 (7) the procedure, if any, by which the terms of any contract with bondholders may be
436.28 amended or abrogated, the amount of bonds the holders of which must consent thereto, and
436.29 the manner in which such consent may be given;

436.30 (8) limitations on the amount of moneys derived from the project to be expended for
436.31 operating, administrative or other expenses of the authority;

437.1 (9) defining the acts or omissions to act which shall constitute a default in the duties of
437.2 the authority to holders of its obligations and providing the rights and remedies of such
437.3 holders in the event of a default; or

437.4 (10) the mortgaging of a project and the site thereof for the purpose of securing the
437.5 bondholders.

437.6 Sec. 19. Minnesota Statutes 2020, section 136A.33, is amended to read:

437.7 **136A.33 TRUST AGREEMENT.**

437.8 In the discretion of the authority any revenue bonds issued under the provisions of
437.9 sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the
437.10 authority and a corporate trustee or trustees, which may be any trust company or bank having
437.11 the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution
437.12 providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be
437.13 received or proceeds of any contract or contracts pledged and may convey or mortgage the
437.14 project or any portion thereof. ~~Such~~ The trust agreement or resolution providing for the
437.15 issuance of ~~such~~ revenue bonds may contain such provisions for protecting and enforcing
437.16 the rights and remedies of the bondholders as may be reasonable and proper and not in
437.17 violation of laws, including particularly such provisions as have hereinabove been specifically
437.18 authorized to be included in any resolution or resolutions of the authority authorizing revenue
437.19 bonds thereof. Any bank or trust company incorporated under the laws of the state ~~which~~
437.20 that may act as depository of the proceeds of bonds or of revenues or other moneys may
437.21 furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by
437.22 the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the
437.23 bondholders and of the trustee or trustees and may restrict the individual right of action by
437.24 bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain
437.25 ~~such~~ other provisions as the authority may deem reasonable and proper for the security of
437.26 the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust
437.27 agreement or resolution may be treated as a part of the cost of the operation of a project.

437.28 Sec. 20. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

437.29 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending such use, may be invested
437.30 and reinvested in direct obligations of the United States of America, or in certificates of
437.31 deposit or time deposits secured by direct obligations of the United States of America, or

437.32 in shares or units in any money market mutual fund whose investment portfolio consists
 437.33 solely of direct obligations of the United States of America, maturing at such time or times
 438.1 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption
 438.2 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income
 438.3 and profits, if any, earned or realized on any such investment may also be applied to the
 438.4 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow
 438.5 have been fully satisfied and carried out, any balance of such proceeds and interest, income
 438.6 and profits, if any, earned or realized on the investments thereof may be returned to the
 438.7 authority for use by it in any lawful manner.

438.8 Sec. 21. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

438.9 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~
 438.10 revenue bonds issued for the additional purpose of paying all or any part of the cost of
 438.11 constructing and acquiring additions, improvements, extensions or enlargements of a project
 438.12 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision
 438.13 7.

438.14 Sec. 22. Minnesota Statutes 2020, section 136A.36, is amended to read:

438.15 **136A.36 REVENUES.**

438.16 The authority may fix, revise, charge and collect rates, rents, fees and charges for the
 438.17 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract
 438.18 with any person, partnership, association or corporation, or other body, public or private,
 438.19 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects
 438.20 involving an education facility and projects involving a health care facility and shall be
 438.21 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~
 438.22 the project so as to provide funds sufficient with other revenues, if any:

438.23 (1) to pay the cost of maintaining, repairing and operating the project and each and every
 438.24 portion thereof, to the extent that the payment of such cost has not otherwise been adequately
 438.25 provided for;

438.26 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority
 438.27 issued in respect of such project as the same shall become due and payable; and

438.28 (3) to create and maintain reserves required or provided for in any resolution authorizing,
 438.29 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees
 438.30 and charges shall not be subject to supervision or regulation by any department, commission,
 438.31 board, body, bureau or agency of this state other than the authority. A sufficient amount of
 438.32 the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may
 439.1 be necessary to pay the cost of maintenance, repair and operation and to provide reserves
 439.2 and for renewals, replacements, extensions, enlargements and improvements as may be
 439.3 provided for in the resolution authorizing the issuance of any revenue bonds of the authority
 439.4 or in the trust agreement securing the same, shall be set aside at such regular intervals as
 439.5 may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund

439.6 ~~which that~~ is hereby pledged to, and charged with, the payment of the principal of and the
 439.7 interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or
 439.8 the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge
 439.9 shall be valid and binding from the time when the pledge is made; the rates, rents, fees and
 439.10 charges and other revenues or other moneys so pledged and thereafter received by the
 439.11 authority shall immediately be subject to the lien of ~~such the~~ pledge without physical delivery
 439.12 thereof or further act, and the lien of any such pledge shall be valid and binding as against
 439.13 all parties having claims of any kind against the authority, irrespective of whether such
 439.14 parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge
 439.15 is created need be filed or recorded except in the records of the authority. The use and
 439.16 disposition of moneys to the credit of such sinking or other similar fund shall be subject to
 439.17 the provisions of the resolution authorizing the issuance of such bonds or of such trust
 439.18 agreement. Except as may otherwise be provided in ~~such the~~ resolution or ~~such~~ trust
 439.19 agreement, ~~such the~~ sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds
 439.20 issued to finance a project or projects at one or more participating institutions of ~~higher~~
 439.21 ~~education~~ without distinction or priority of one over another; provided the authority in any
 439.22 such resolution or trust agreement may provide that such sinking or other similar fund shall
 439.23 be the fund for a particular project at ~~an a participating~~ institution of ~~higher education~~ and
 439.24 for the revenue bonds issued to finance a particular project and may, additionally, permit
 439.25 and provide for the issuance of revenue bonds having a subordinate lien in respect of the
 439.26 security herein authorized to other revenue bonds of the authority and, in such case, the
 439.27 authority may create separate or other similar funds in respect of ~~such the~~ subordinate lien
 439.28 bonds.

439.29 Sec. 23. Minnesota Statutes 2020, section 136A.38, is amended to read:

439.30 **136A.38 BONDS ELIGIBLE FOR INVESTMENT.**

439.31 Bonds issued by ~~the~~ authority under the provisions of sections 136A.25 to 136A.42, are
 439.32 hereby made securities in which all public officers and public bodies of the state and its
 439.33 political subdivisions, all insurance companies, trust companies, banking associations,
 439.34 investment companies, executors, administrators, trustees and other fiduciaries may properly
 439.35 and legally invest funds, including capital in their control or belonging to them; it being the
 440.1 purpose of this section to authorize the investment in such bonds of all sinking, insurance,
 440.2 retirement, compensation, pension and trust funds, whether owned or controlled by private
 440.3 or public persons or officers; provided, however, that nothing contained in this section may
 440.4 be construed as relieving any person, firm, or corporation from any duty of exercising due
 440.5 care in selecting securities for purchase or investment; and provide further, that in no event
 440.6 shall assets of pension funds of public employees of the state of Minnesota or any of its
 440.7 agencies, boards or subdivisions, whether publicly or privately administered, be invested
 440.8 in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby
 440.9 constituted "authorized securities" within the meaning and for the purposes of Minnesota
 440.10 Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which that~~ may
 440.11 properly and legally be deposited with and received by any state or municipal officer or any

440.12 agency or political subdivision of the state for any purpose for which the deposit of bonds
440.13 or obligations of the state now or may hereafter be authorized by law.

440.14 Sec. 24. Minnesota Statutes 2020, section 136A.41, is amended to read:

440.15 **136A.41 CONFLICT OF INTEREST.**

440.16 Notwithstanding any other law to the contrary it shall not be or constitute a conflict of
440.17 interest for a trustee, director, officer or employee of any participating institution of higher
440.18 ~~education~~, financial institution, investment banking firm, brokerage firm, commercial bank
440.19 or trust company, architecture firm, insurance company, construction company, or any other
440.20 firm, person or corporation to serve as a member of the authority, provided such trustee,
440.21 director, officer or employee shall abstain from deliberation, action and vote by the authority
440.22 in each instance where the business affiliation of any such trustee, director, officer or
440.23 employee is involved.

440.24 Sec. 25. Minnesota Statutes 2020, section 136A.42, is amended to read:

440.25 **136A.42 ANNUAL REPORT.**

440.26 The authority shall keep an accurate account of all of its activities and all of its receipts
440.27 and expenditures ~~and shall annually report to the office~~. Each year, the authority shall submit
440.28 to the Minnesota Historical Society and the Legislative Reference Library a report of the
440.29 authority's activities in the previous year, including all financial activities.

440.30 Sec. 26. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:

440.31 Subdivision 1. **Authorization.** A technical college or a community college must not
440.32 seek financing for child care facilities or parking facilities through the Higher Health and
441.1 Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the
441.2 explicit authorization of the board.

441.3 Sec. 27. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

441.4 Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered
441.5 by the individual retirement account plan under section 354B.211, means:

441.6 (1) the board;

441.7 (2) the Minnesota Office of Higher Education; and

441.8 (3) the Higher Health and Education Facilities Authority.

441.9 Sec. 28. **REVISOR INSTRUCTION.**

441.10 The revisor of statutes shall renumber the law establishing and governing the Minnesota
441.11 Higher Education Facilities Authority, renamed the Minnesota Health and Education
441.12 Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota
441.13 Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor
441.14 of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter

- 441.15 136A, revise any statutory cross-references consistent with the recoding, and report the
- 441.16 history in Minnesota Statutes, chapter 16F.
- 441.17 Sec. 29. **REPEALER.**
- 441.18 Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.